

VZCZCXRO9180  
PP RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK  
DE RUEHAD #4360 3311514  
ZNR UUUUU ZZH  
P 271514Z NOV 06  
FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC PRIORITY 7757  
INFO RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUCNRAQ/IRAQ COLLECTIVE

UNCLAS ABU DHABI 004360

SIPDIS

SENSITIVE  
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E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [EINV](#) [IZ](#) [AE](#)

SUBJECT: STATUS OF ABU DHABI GENERATOR DONATION TO IRAQ

Ref A) Abu Dhabi 2855, B) Abu Dhabi 2781, B) 05 ABU DHABI 4579

¶1. (U) Contains business proprietary information. Not for internet distribution.

¶2. (SBU) On November 16, Econchief met with Abu Dhabi Water and Electricity Authority (ADWEA) Director of Planning and Development Ahmed Saif Al-Darmaki to discuss the status of the two power stations that Abu Dhabi had pledged to provide to Iraq. Al-Darmaki said that ADWEA had identified the contractor and was ready to ship the stations (i.e., generators and all associated equipment) to Iraq as soon as the Government of the Emirate of Abu Dhabi authorized the transfer and the funding. He said that the decision was with the Office of Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al-Nahyan.

Al-Darmaki also noted that he had the sense that the Iraqi Minister of Electricity was not interested in the generators. At the Electricity Minister's July meeting with ADWEA Chairman Sheikh Dhiyab bin Zayed Al-Nahyan, the Minister reportedly said that for just a little more money Iraq could get new generators. Al-Darmaki added that the previous government had identified a location within Iraq for the generators. Should the new government still want the generators, it would likely identify a new location.

¶3. (SBU) Al-Darmaki told econchief that ADWEA was a member of the board of the current effort to link the GCC electricity grid. He explained that Iraq had proposed connecting to the grid, but that Kuwait had objected. He noted that the Iraqis would have needed to connect through Kuwait and that the Kuwaitis already had major power problems. ADWEA had proposed having the UAE firm Taqa (75% owned by the government of the Emirate of Abu Dhabi) invest in a large 2,000 Mw power plant in Basra, which could connect to both Kuwait and Iraq. He said that ADWEA had secured GCC agreement in principle and was now looking for an investment partner and access to the gas in South Iraq.

¶4. (SBU) Finally Al-Darmaki said that Taqa was in talks with a U.S. company about "buying substantial shares" in it. He explained that Taqa was looking for overseas investment opportunities.

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